

GENERAL FACT SHEET

The Export-Import Bank of the United States (Ex-Im Bank) is an independent U.S. Government agency that helps finance the overseas sales of U.S. goods and services. In over 60 years, Ex-Im Bank has supported more than \$300 billion in U.S. exports.

WHAT IS EX-IM BANK'S MISSION?

Ex-Im Bank's mission is to create jobs through exports. It provides guarantees of working capital loans for U.S. exporters, guarantees the repayment of loans or makes loans to foreign purchasers of U.S. goods and services. Ex-Im Bank also provides credit insurance that protects U.S. exporters against the risks of non-payment by foreign buyers for political or commercial reasons. Ex-Im Bank does not compete with commercial lenders, but assumes the risks they cannot accept. It must always conclude that there is reasonable assurance of repayment on every transaction financed.

WHEN CAN EX-IM BANK HELP?

Ex-Im Bank provides a level playing field for U.S. exporters by countering the export credit subsidies of other governments. It also provides financing to creditworthy private and sovereign foreign buyers when private financing is unavailable. To qualify for Ex-Im Bank support, the product or service must have at least 50 percent U.S. content and must not affect the U.S. economy adversely.

Ex-Im Bank supports the sales of U.S. exports worldwide. In recent years, its focus has shifted to the developing nations whose economies are growing at twice the rate of the industrial nations.

Ex-Im Bank will finance the export of all types of goods or services, including commodities, as long as they are not military-related (certain exceptions exist). Two of its major goals are to increase the export of environmental goods and services, which are in strong demand among the developing nations, and to expand the number of U.S. small businesses using Ex-Im Bank programs.

While Ex-Im Bank is not a foreign aid or development agency, its programs often help U.S. exporters participate in development projects. Ex-Im Bank has co-financed projects with the U.S. Agency for International Development, the World Bank, and regional development banks.

WHAT PROGRAMS DOES EX-IM BANK OFFER?

1. **Working Capital Guarantees** cover 90 percent of the principal and interest on commercial loans to creditworthy small and medium-sized companies that need funds to buy or produce U.S. goods or services for export. Exporters may apply for a Preliminary Commitment--a letter from Ex-Im Bank outlining the terms and conditions under which it will provide a guarantee--which can be used to obtain the best financing terms from a private lender. The lender also may apply directly for a final authorization. Guarantees may be for a single transaction or a revolving line of credit. Guaranteed loans generally have maturities of 12 months and are renewable. Certain lenders, experienced in the program, have been given delegated authority which enables them to commit Ex-Im Bank's guarantee.
2. **Export Credit Insurance** policies protect against both the political and commercial risks of a foreign buyer defaulting on payment. Policies may be obtained for single or repetitive export sales and for leases. Short-term policies generally cover 100 percent of the principal for political risks and 90-95 percent for commercial risks, as well as a specified amount of interest. They are used to support the sale of consumer goods, raw materials and spare parts on terms of up to 180 days, and bulk agricultural commodities, consumer durables and capital goods on terms of up to 360 days.

Capital goods may be insured for up to five years, depending upon the contract value, under the medium-term policy which covers 100 percent of principal and interest on the financed portion.

Ex-Im Bank's credit insurance allows exporters to finance receivables more easily by assigning the proceeds of the policy to their lender.
3. **Guarantees** of commercial loans to foreign buyers of U.S. goods or services cover 100 percent of principal and interest against both political and commercial risks of nonpayment. Medium-term guarantees cover the sale of capital items such as trucks and construction equipment, scientific apparatus, food processing machinery, medical equipment, or project-related services--including architectural, industrial design, and engineering services. Long-term guarantees are available for major projects, large capital goods and/or project-related services. Ex-Im Bank's Credit Guarantee Facilities also can be used to extend medium-term credit to buyers of U.S. capital goods and services through banks in certain foreign markets.
4. **Direct Loans** provide foreign buyers with competitive, fixed-rate financing for their purchases from the United States.

Ex-Im Bank's loans, guarantees and medium-term insurance cover 85 percent of the contract price (100 percent of the financed portion). The foreign buyer is required to make a 15 percent cash payment. The fees charged by Ex-Im Bank for its programs are based on the risk assessment of the foreign buyer or guarantor, the buyer's country, and term of the credit. Ex-Im Bank's fees are highly competitive with those charged by the export credit agencies of other exporting countries.

Exporters can obtain an Ex-Im Bank Letter of Interest (LI) to assist in negotiations with a potential foreign buyer. The LI indicates Ex-Im Bank's willingness to consider a financing offer if sale is completed. An LI can be issued within seven days of a request for financing and remains in effect for six months.

The Ex-Im Bank Program Chart, which follows, is designed to help you identify the Ex-Im Bank programs that are appropriate for your transaction. Please remember that programs are often used in conjunction with each other, e.g., the Working Capital Guarantee Program with Insurance. Ex-Im Bank's Business Development staff will be glad to discuss with you the best program(s) for your needs.

PROGRAM SELECTION CHART

PRE-EXPORT		POST-EXPORT							
1. Need: To finance pre-export operations		TYPE OF PRODUCTS:							
		1. Capital Goods and Services			2. Spare Parts/Consumables/Raw Materials				
		Need: To extend credit items to foreign buyers To be competitive with foreign suppliers			Need: To use AR's in collateral base To extend credit to buyers				
Problem: - Lack of collateral - Lender unwilling to increase line due to financial concerns		Sale - \$10 Million and Under				Sales of Any Size			
		Solutions/Options:		Insurance	Guarantees	CGF	Loans	Insurance	
		Advantages:	- Fast turnaround - No review of documents by Ex-Im Bank - Can be offered by supplier - Spanish financial statements acceptable - Lease coverage	- Legal documents already in place - Bank may cover 15% cash payment - Documents approved before guarantee put on note - Unconditional - Transferable	- Fast - Line in place - No legal documents - Local currency loan - Local bank approval of buyer	- Fixed interest rate	Small Business	Other	
Solution: Working Capital Guarantee Program		Considerations:	- Conditional coverage		- Limited countries - Usually local interest rates	- Legal documents to be written - Shipping requirement - No bank involved for cash payment	Advantages: - Reduced premiums - Enhanced % of cover - Enhanced assignment - No exit requirement for Environmental Policy	- Likely to have a discretionary credit limit	
		Best Used When:	- Time is essential	- Bank willing to lend with Ex-Im Bank guarantee	- Best, if in place	- Fixed interest rate needed	Considerations: - No discretionary credit limit for Umbrella Policy		
		Sale - Over \$10 Million							
Solution: Small Business Insurance Policies “Enhanced” Assignment		Solutions/Options:		Guarantees	Loans		Project Finance		
		Advantages:		- Same as above	- Fixed interest rate		- Credit decision based on cash flows		
		Considerations:			- One-off legal agreement - No cash payment financing provided		- Suitable for large transactions only - Complex		
		Best Used When:		- Bank willing to lend with Ex-Im Bank guarantee	- Facing tied aid competition - Fixed interest rate needed		- Large greenfield projects when direct sovereign guarantees not available		

WHERE TO APPLY FOR EX-IM BANK PROGRAMS:

Ex-Im Bank's programs are easily accessible. Any responsible party--the foreign buyer, the U.S. exporter, a lending institution, or a firm representing either the buyer or the exporter--can apply directly to Ex-Im Bank for an LI. Potential borrowers also may obtain assistance in applying for financing at any Ex-Im Bank office or one of the U.S. Export Assistance Centers (USEAC) listed below. USEACs are one-stop centers for the services of the U.S. Department of Commerce, the Ex-Im Bank, the U.S. Small Business Administration and other export-related federal and state agencies.

	<u>Phone</u>	<u>Fax</u>		<u>Phone</u>	<u>Fax</u>
Atlanta	(404) 657-1900	(404) 657-1970	Miami	(305) 526-7425	(305) 526-7435
Baltimore	(410) 962-9539	(410) 962-4529	Minneapolis	(612) 348-1638	(612) 348-1650
Boston	(617) 424-5990	(617) 424-5992	New Orleans	(504) 589-6546	(504) 589-2337
Charlotte	(704) 333-4886	(704) 332-2681	New York	(212) 264-0634	(212) 264-1356
Chicago	(312) 353-8040	(312) 353-8120	Philadelphia	(215) 597-6101	(215) 597-6123
Cleveland	(216) 522-4750	(216) 522-2236	Portland	(503) 326-3001	(503) 326-6351
Dallas	(214) 767-0542	(214) 767-8240	San Jose	(408) 271-7300	(408) 271-7307
Denver	(303) 844-6622	(303) 844-5651	St. Louis	(314) 425-3302	(314) 425-3381
Detroit	(313) 226-3650	(313) 226-3657	Seattle	(206) 553-5615	(206) 553-7253
Long Beach	(562) 980-4550	(562) 980-4561			

Further information about Ex-Im Bank programs may be obtained from U.S. embassies or consulates and state governments participating in the Ex-Im Bank City/State Program, or by contacting Ex-Im Bank at:

HEADQUARTERS

U.S. Toll Free Number	(800) 565-EXIM
Worldwide Number	(202) 565-3946
Business Development	(202) 565-3900 Fax (202) 565-3931
TDD	(202) 565-3377
Fax Retrieval	(800) 565-EXIM, press 1, then 2 at voice prompts
E-Mail	bdd@exim.gov
Internet	http://www.exim.gov

REGIONAL OFFICES

Northeast - New York	(212) 466-2950 Fax (212) 466-2959
Mid-Atlantic - DC	(202) 565-3940 Fax (202) 565-3932
Southeast - Miami	(305) 526-7425 Fax (305) 526-7435
Midwest - Chicago	(312) 353-8081 Fax (312) 353-8098
Southwest - Houston	(281) 721-0465 Fax (281) 679-0156
West - Long Beach	(562) 980-4580 Fax (562) 980-4590
<i>Satellite</i> - San Jose, CA	(408) 271-7300 ext. 104 Fax (408) 271-7307
<i>Satellite</i> - Orange County, CA	(949) 660-1688 ext. 150 Fax (949) 660-8039